

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7324

BILL NUMBER: HB 1307

NOTE PREPARED: Jan 23, 2015

BILL AMENDED: Jan 22, 2015

SUBJECT: Lake County city and town court jurisdiction.

FIRST AUTHOR: Rep. Fine

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill increases the maximum civil jurisdiction from an amount in controversy of \$3,000 to an amount in controversy of \$6,000 for the: (1) East Chicago, Gary, Hammond, Hobart, and Crown Point city courts; and (2) Merrillville town court.

Effective Date: July 1, 2015.

Explanation of State Expenditures:

Explanation of State Revenues: This bill would likely cause a revenue loss to the state General Fund. The state General Fund would receive a smaller proportion of court fees when a court case is filed in a city or town court rather than in a trial court.

Civil litigants pay the same \$100 filing fee whether they file in either a city or town court or trial court. When a case is tried in a trial court, the state General Fund receives 70% of the fee, but the state General Fund receives 55% of the fee when the case is tried in a city or town court. (See *Explanation of Local Revenues*.)

These fees would still be charged and would be deposited in the state General Fund even if the case is filed in a city or town court. The judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Revenue from the pro bono services fee (\$1) is transferred by the State Auditor to the Indiana Bar Foundation for use in assisting with pro bono legal services programs in Indiana.

Explanation of Local Expenditures: (Revised) In CY 2013, the Hammond City Court had significantly more civil filings than any of the other five courts that would be affected by this bill. Most of the cases filed in these courts are misdemeanors, infractions, and ordinance violations.

Increasing the civil jurisdiction of these six courts might require these courts to hire additional staff if they receive significantly more civil cases. Generally, the estimated time needed to dispose of civil cases is more than for misdemeanors, infractions, and ordinance violations, as shown in the following table.

Weighting Factors in Minutes by Case Category						
Misc. Criminal	Misdemeanors	Infractions and Ord. Violations	Civil Plenary	Civil Collections	Civil Tort	Civil Miscellaneous
18	40	2	121	26	118	87

Explanation of Local Revenues: There could be a gain in revenue for the city or town general funds and a loss for county general funds. If more cases are filed in the city and town courts, then the general fund of cities and towns would receive a greater proportion of the filing fee. The general fund of the county in which the court is located would receive a smaller percentage of the revenue from court fees.

The following table compares the distribution of court fee revenue, depending on whether a case is filed in a trial court or a city or town court.

Proportions of Filing Fee Distributed by Unit of Government			
<i>If Filed in a:</i>	<i>State Share</i>	<i>County Share</i>	<i>City or Town Share</i>
Trial Court	70%	27%	3%
City or Town Court	55%	20%	25%

Proceeds from the automated record keeping fee (\$5) are deposited into Lake County's Clerk Record Perpetuation Fund because Lake County does not operate under the automated judicial system (Odyssey case management system).

(Revised) **Additional Information** – Lake County has ten city or town courts operating in CY 2013. The following shows the city and town courts ranked by 2010 population. Courts affected by this bill are shown in bold and italics.

2010 Populations of the City and Town Courts in Lake County					
City Courts			Town Courts		
<i>1</i>	<i>Hammond</i>	<i>80,830</i>	<i>1</i>	<i>Merrillville</i>	<i>35,246</i>
<i>2</i>	<i>Gary</i>	<i>80,294</i>	2	Schererville	29,243
<i>3</i>	<i>East Chicago</i>	<i>29,698</i>	3	Lowell	9,276
<i>4</i>	<i>Hobart</i>	<i>29,059</i>			
<i>5</i>	<i>Crown Point</i>	<i>27,317</i>			
6	Lake Station	12,572			
7	Whiting	4,997			

The 2013 filings in the city courts and the one town court that are affected by this bill are shown in the following table.

Cases Filed in City and Town Courts in Lake County in CY 2013					
City/Town Court	Misdemeanors	Infractions	Ordinance Violations	Civil Plenary	Civil Collections
Hammond	2,403	12,509	8,292	4,709	0
Gary	2,012	6,100	4,871	731	0
East Chicago	987	2,939	482	0	26
Hobart	1,628	2,010	109	0	347
Crown Point	445	1,030	788	147	0
Merrillville	1,386	3,651	2,955	1	0

State Agencies Affected: Division of State Court Administration.

Local Agencies Affected: City courts in Hammond, Gary, East Chicago, Hobart, and Crown Point; Merrillville town court.

Information Sources: Division of State Court Administration; Indiana Judicial Center; Indiana Code.

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